



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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April 8, 1994

TO: Board of Oil Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: D. Wayne Hedberg, Minerals Permit Supervisor *DWH* *LH*

FROM: Anthony A. Gallegos, Reclamation Engineer *aag*

RE: Request for Board Approval of Amount and Form of Replacement Reclamation Surety, S.F. Phosphates Limited Company (SF), Vernal Phosphate Operations, M/047/007, Uintah County, Utah

In April 1992, SF purchased the Vernal Phosphate Operations from Chevron Chemical Company (Chevron). Under the direction of SF, the operations have continued in accordance with the mining and reclamation plan originally approved by the Division in January 26, 1984. However, the scale of mining and, therefore, the scale of concurrent reclamation, has been reduced from what had been proposed by Chevron. These reductions in the scale of operations are described in SF's March 1993 Reclamation Plan Amendment (see attachments).

The surety bond posted by Chevron for \$3,813,000 is still in place pending approval of the replacement surety now proposed by SF. Once the replacement surety is approved, the Division will complete the formal transfer of operations from Chevron to SF and release the old surety to Chevron. Also, with an approved reclamation surety in place, the Division can grant final approval of the proposed Reclamation Plan Amendment. SF has proposed a surety bond in the sum of \$2,024,000 for reclamation of the maximum area to be disturbed by operations over five years. The surety company, United Pacific Insurance Company, is included in the July 1993 Federal Register listing as an acceptable surety on federal bonds.

Please find the following items attached for your review:

- 1) Summary Checklist
- 2) Executive Summary
- 3) Location Map
- 4) Reclamation Surety Estimate - **summary page only**
- 5) Amendment to the Reclamation Plan - **by SF**
- 6) Reclamation Contract
- 7) Power of Attorney
- 8) Surety Bond

jb

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